

1 Adopt 2 Cal. Code Regs. section 18728.5 as follows:

2 **§ 18728.5. Reporting of Commission Income and Incentive Compensation.**

3 (a) A public official required to disclose income pursuant to this title must
4 disclose commission income, as defined in 2 Cal. Code Regs. section 18703.3(c)(1), and
5 incentive compensation, as defined in 2 Cal. Code Regs. section 18703.3(d), as described
6 by this regulation.

7 (b) Disclosure of Commission Income.

8 A public official shall report commission income as follows:

9 (1) The total amount of commission income received by the official ~~from each~~
10 ~~source~~ during the period covered by the statement shall be reported if it equals \$500 or
11 more.

12 (A) The source of income shall be listed as the official if he or she is self-
13 employed or is reporting as a business entity. For purposes of this subdivision, a public
14 official who receives commission income on a regular basis is a business entity.

15 (B) If the official conducts business through a firm or other business entity, the
16 source of income shall be listed as the firm or other business entity.

17 (2) If the official reports commission income as a business, in addition to the
18 information reported pursuant to subdivision (b)(1) of this regulation, the name of each
19 source of gross commission income shall be reported if the source provided commission
20 income of \$10,000 or more during the period covered by the statement.

21 (3) The full gross value of any commission income for a specific sale or similar
22 transaction shall be attributed to each source of income in that sale or transaction.

23 (c) Disclosure of Incentive Compensation.

1 (1) In addition to salary, reimbursement of expenses, and other income received
2 from his or her employer, a public official shall separately report the name of each person
3 who purchased products or services sold, marketed or represented by the public official if
4 the official received incentive compensation of five hundred dollars (\$500) or more
5 attributable to the purchaser during the period covered by the statement.

6 (2) If an official's incentive compensation is paid by his or her employer in a
7 lump sum, without allocation of amounts to specific customers, the official shall
8 determine the amount of the incentive compensation attributable to each of the official's
9 customers. This may be based on the volume of sales to or purchases made by those
10 customers and the amount of incentive compensation attributable to each customer
11 according to the formula utilized by the official's employer.

12 NOTE: Authority cited: Section 83112, Government Code.
13 Reference: Sections 82030 and 87207, Government Code.

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